

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|------------------------------|---|------------|
| PURCHASED GAS ADJUSTMENT |) | CASE NO. |
| FILING OF NAVITAS KY NG, LLC |) | 2016-00446 |

ORDER

On February 16, 1995,¹ the Commission approved rates for Gasco Distribution Systems, Inc. ("Gasco") and provided for their further adjustment on a quarterly basis in accordance with its Gas Cost Adjustment clause. On February 28, 2011, Navitas KY NG, LLC ("Navitas KY") acquired the assets of Gasco, pursuant to the Commission's approval of the transfer, and adopted Gasco's tariffs.²

On December 29, 2016, Navitas KY filed its proposed Gas Cost Recovery ("GCR") application for rates to be effective February 1, 2017.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Navitas KY's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

¹ Case No. 1994-00427, *In the Matter of the Application of Gasco Distribution Systems, Inc. for a Certificate of Convenience and Necessity to Provide Local Gas Distribution Service to Albany, Ky. and for Transfer of the Albany Gas Utility Company* (Ky. PSC Feb. 16, 1995).

² Case No. 2010-00468, *Joint Application of Navitas Kentucky NG, LLC and Gasco Distribution Systems, Inc. for Approval of an Acquisition of Ownership and Control of Gas Utility Systems* (Ky. PSC Feb. 11, 2011).

2. Navitas KY's notice sets out an Expected Gas Cost ("EGC") of \$6.4717 per Mcf, which is an increase of \$.1847 per Mcf from its previous EGC of \$6.2870 per Mcf.

3. Navitas KY's notice sets out no current quarter Refund Adjustment.

4. Navitas KY's notice sets out a current quarter Actual Cost Adjustment ("ACA") of \$.0795 per Mcf. Due to a spreadsheet error, Navitas KY incorrectly set out a total ACA of \$.1522 per Mcf. Correcting this produces a total ACA of \$.1521 per Mcf, which is an increase of \$.0853 per Mcf from its previous total ACA of \$.0668 per Mcf.

5. Navitas KY's notice sets out a current quarter Balance Adjustment ("BA") of \$.0021 per Mcf. Navitas KY's total BA is (\$.4084) per Mcf, which is a decrease of \$.0599 per Mcf from its previous total BA of (\$.3485) per Mcf.

6. Navitas KY's corrected GCR rate is \$6.2154 per Mcf, which is an increase of \$.2101 per Mcf from its previous GCR rate of \$6.0053 per Mcf. Due to a spreadsheet error, Navitas KY erroneously set out a GCR of \$6.2155 per Mcf.

7. The rate set forth in the Appendix to this Order is fair, just, and reasonable, and should be approved for service rendered by Navitas KY on and after February 1, 2017.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Navitas KY is denied.
2. The rate set forth in the Appendix to this Order is approved for service rendered by Navitas on and after February 1, 2017.

3. Within 20 days of the date of this Order, Navitas KY shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission

ENTERED
JAN 20 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00446 DATED **JAN 20 2017**

The following rates and charges are prescribed for the customers in the area served by Navitas KY NG, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES per Mcf:

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|-------------|------------------|---------------------------------------|--------------|
| Residential | \$4.62 | \$6.2154 | \$10.8354 |
| Commercial | \$3.62 | \$6.2154 | \$ 9.8354 |

*Joseph M Irwin
Navitas KY NG, LLC
3186-D Airway Avenue
Costa Mesa, CA 92626

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3186-D Airway Avenue
Costa Mesa, CA 92626